



AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN  
for Tax Years 1991 and 1992  
Taxable Year of Original Return

FORM

1040XN-3

beginning \_\_\_\_\_, 19\_\_\_\_ and ending \_\_\_\_\_, 19\_\_\_\_

First Name(s) and Initial(s) \_\_\_\_\_ Last Name \_\_\_\_\_  
Home Address (Number and Street or Rural Route and Box Number) \_\_\_\_\_  
City, Town, or Post Office \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

PLEASE DO NOT WRITE IN THIS SPACE

Public School District Data: \_\_\_\_\_ County of Residence \_\_\_\_\_ If your principal source of income is from farming, ranching, or fishing, check this box: ☐ Your Social Security No. \_\_\_\_\_ Spouse's Number \_\_\_\_\_  
County \_\_\_\_\_ I.D. No. \_\_\_\_\_

Are you filing this amended return because:

- a. The Nebraska Department of Revenue has notified you that your return will be audited? ☐ YES ☐ NO  
b. The Internal Revenue Service has corrected your federal return? If Yes, identify office: \_\_\_\_\_ and attach a copy of changes from Internal Revenue Service. ☐ YES ☐ NO

Are you filing for a refund based on:

- a. The filing of a federal amended return or claim for refund? ☐ YES ☐ NO  
Attach copies of Federal Form 1045 or 1040X and supporting schedules.  
b. Carryback of a net operating loss or section 1256 loss? ☐ YES ☐ NO  
If Yes, year of loss: \_\_\_\_\_ Amount: \$ \_\_\_\_\_  
Attach copies of Federal Form 1045 or 1040X and supporting schedules.

1 FEDERAL FILING STATUS

(check only one for each return):

- |   | Original                 | Amended                  |
|---|--------------------------|--------------------------|
| (1) Single                              | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) Married, filing joint               | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) Married, filing separate            | <input type="checkbox"/> | <input type="checkbox"/> |
| Spouse's S.S. No.: _____                |                          |                          |
| (4) Head of household                   | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) Widow(er) with dependent child(ren) | <input type="checkbox"/> | <input type="checkbox"/> |

2 CHECK IF:

(on federal return)

- |  | Original                 | Amended                  |
|--|--------------------------|--------------------------|
| (1) You were 65 or over  | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) You were blind   | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) Spouse was 65 or over  | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) Spouse was blind   | <input type="checkbox"/> | <input type="checkbox"/> |
| (5) You can be claimed as a dependent on another person's return | <input type="checkbox"/> | <input type="checkbox"/> |

3 TYPE OF RETURN BEING FILED

(check only one for each return):

- |  | Original                 | Amended                  |
|--|--------------------------|--------------------------|
| (1) Resident   | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) Nonresident or Partial-year resident from _____ 19____ to _____ 19____ | <input type="checkbox"/> | <input type="checkbox"/> |

4 Federal exemptions (number of exemptions claimed on your federal return) \_\_\_\_\_

4

Computation of Tax	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
5 Federal adjusted gross income (AGI) .....	5		5
6 Nebraska exemption deduction (see instructions) .....	6		6
7 Nebraska income after exemptions (line 5 minus line 6) ..	7		7
8 Nebraska standard deduction (see instructions) .....	8		8
9 Federal total itemized deductions .....	9		9
10 State and local income tax included in line 9 .....	10		10
11 Nebraska itemized deductions (line 9 minus line 10) ....	11		11
12 Amount from line 8 or line 11, whichever is greater .....	12		12
13 Nebr. income before adjustments (line 7 minus line 12) ..	13		13
14 Adjustments increasing federal AGI .....	14		14
15 Adjustments decreasing federal AGI .....	15		15
16 Nebr. tax table income (line 13 plus line 14 minus line 15)	16		16
17 Nebraska income tax .....	17		17
18 Nebraska minimum or other tax .....	18		18
19 Total Nebraska income tax .....	19		19
20 Credit for tax paid to another state .....	20		20
21 Credit for the elderly or disabled .....	21		21
22 Community Development Assistance Act credit .....	22		22
23 Form 3800N credit .....	23		23
24 Credit for child and dependent care expenses .....	24		24
25 Total nonrefundable credits (total of lines 20 through 24) .	25		25
26 Line 19 minus line 25 (if less than zero, enter -0-) .....	26		26
27 Nebraska depreciation surcharge .....	27		27
28 Add lines 26 and 27 .....	28		28
29 Nebraska income tax withheld .....	29		29
30 Estimated tax payments .....	30		30
31 Form 4136N credit .....	31		31
32 Amount paid with original return, plus additional payments made after it was filed .....	32		32
33 Total payments (total of lines 29 through 32, column C) .....	33		33
34 Overpayment allowed on original return, plus additional overpayments allowed after it was filed .....	34		34
35 Line 33 minus line 34 .....	35		35
36 TAX DUE (subtract line 35 from line 28, column C) .....	36		36
37 Penalty (see instructions) .....	37		37
38 Interest (on line 36 amount - see instructions) .....	38		38
39 Total BALANCE DUE (total of lines 36 through 38). Pay in full with this return .....	39		39
40 REFUND to be received (subtract line 28, column C, from line 35) .....	40		40

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign  
here

Your Signature

Date

Signature of Preparer Other than Taxpayer

Date

Spouse's Signature (if filing jointly both must sign)

Phone Number

City

State

Zip Code



**NEBRASKA SCHEDULE I — Nebraska Adjustments to Income**  
**NEBRASKA SCHEDULE II — Credit for Tax Paid to Another State**  
**NEBRASKA SCHEDULE III — Computation of Nebraska Tax**

**FORM**  
**1040XN-3**

Name as Shown on Form 1040XN-3

Social Security Number

**Explanation of Changes**

- Attach additional sheets or schedules if necessary
- Reference net change (column B) and line number

**Nebraska Schedule I — Nebraska Adjustments to Income  
for Nebraska Residents, Nonresidents, and Partial-Year Residents**

**PART A — Adjustments Increasing Federal Adjusted Gross Income**

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
<b>41</b> Total adjustments increasing income (include interest from non-Nebraska state and local obligations). Enter here and on line 14, Form 1040XN-3 .....	<b>41</b>		<b>41</b>

**PART B — Adjustments Decreasing Federal Adjusted Gross Income**

<b>42</b> State income tax refund deduction .....	<b>42</b>		<b>42</b>
<b>43</b> Interest or dividend income from U.S. obligations .....	<b>43</b>		<b>43</b>
<b>44</b> Tier I or II benefits paid by the Railroad Retirement Board .....	<b>44</b>		<b>44</b>
<b>45</b> Special capital gains deduction .....	<b>45</b>		<b>45</b>
<b>46</b> Other adjustments decreasing income .....	<b>46</b>		<b>46</b>
<b>47</b> Total adjustments decreasing income. Enter here and on line 15, Form 1040XN-3 .....	<b>47</b>		<b>47</b>

**Nebraska Schedule II — Credit for Tax Paid to Another State for Full-Year Residents Only**

- If line 49 or 51 is amended, a copy of the return filed with another state must be attached

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
<b>48</b> Total Nebraska income tax (line 19, Form 1040XN-3) .....	<b>48</b>		<b>48</b>
<b>49</b> Adjusted gross income from another state (do not enter amount of taxable income from the other state) .....	<b>49</b>		<b>49</b>
<b>50</b> Computed tax credit (divide line 49 by [line 5, 1040XN-3, plus line 41 minus line 47], then multiply by line 48) .....	<b>50</b>		<b>50</b>
<b>51</b> Tax due and paid to another state (do not enter amount withheld for the other state) .....	<b>51</b>		<b>51</b>
<b>52</b> Maximum tax credit (line 48, 50, or 51, whichever is least). Enter amount here and on line 20, Form 1040XN-3 .....	<b>52</b>		<b>52</b>

**Nebraska Schedule III — Computation of Nebraska Tax**

- Nonresidents and partial-year residents complete lines 53 through 60 below

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
<b>53</b> Nebraska tax table income (from line 16, Form 1040XN-3) .....	<b>53</b>		<b>53</b>
<b>54</b> Nebraska income tax: \$ _____, minus credits for partial-year residents: \$ _____. Enter difference here .....	<b>54</b>		<b>54</b>
<b>55</b> Nebraska minimum and other taxes (see instructions) .....	<b>55</b>		<b>55</b>
<b>56</b> Income derived from Nebraska sources .....	<b>56</b>		<b>56</b>
<b>57</b> Adjustments as applied to Nebraska income, if any .....	<b>57</b>		<b>57</b>
<b>58</b> Nebraska adjusted gross income (line 56 minus line 57) ...	<b>58</b>		<b>58</b>
<b>59</b> Nebraska share of line 54. Enter here and on line 17, Form 1040XN-3 (see instructions) .....	<b>59</b>		<b>59</b>
<b>60</b> Nebraska share of line 55. Enter here and on line 18, Form 1040XN-3 (see instructions) .....	<b>60</b>		<b>60</b>

**FOR NEBRASKA DEPARTMENT OF REVENUE USE ONLY**

Batch Number	Report Number	Claim Number	Amount Received	Amount Refunded
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# AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN for Tax Years 1991 and 1992

This Form 1040XN-3 is to be used only when returns for tax years 1991 and 1992 are amended. Returns for other years cannot be amended using this form. The proper Form 1040XN may be obtained from the taxpayer assistance offices listed on page 4.

## INSTRUCTIONS

**AN AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN**, Form 1040XN-3, is filed whenever the taxpayer's federal tax return is amended or corrected, or whenever the information on a Nebraska return previously filed is not correct. If a resident taxpayer claimed credit for tax paid to another state and the other state's return is amended or corrected, an amended Nebraska return must also be filed. Form 1040XN-3 may only be filed after the Nebraska Individual Income Tax Return, Form 1040N, has been filed.

The amended return is due 90 days after filing an amended federal return or after an Internal Revenue Service correction becomes final. A correction is final, even though the taxpayer and the IRS are still contesting the amount due, whenever one of the following has occurred:

1. The tax has been paid by the taxpayer;
2. The examining officer's findings have been accepted by the taxpayer;
3. A closing agreement has been approved by the IRS; or
4. A decision of a court has become final.

Attach copies of the federal claim for refund, the audit determination of the IRS, or the amended federal return to the amended Nebraska return. If you are filing for a refund more than three years after the filing of the original return or for a refund due to a net operating loss carryback more than three years after the due date of the loss year's return, **attach dated proof of federal acceptance of your federal refund** or copies of federal or Nebraska waivers of the statute of limitations to each amended return affected.

An amended return based on the filing of a federal protective claim with the IRS does not require the filing of an amended Nebraska return as a protective claim. The payment by the IRS of a refund on a protective claim is a federal change that must be reported within 90 days of such refund.

An oral hearing may be requested when filing for a refund on Form 1040XN-3 by writing the request on the Explanation of Changes, Form 1040XN-3.

**NEBRASKA NET OPERATING LOSS.** If you are carrying back a Nebraska net operating loss, you must attach the appropriate Nebraska Net Operating Loss Worksheet, Form NOL. Enter the federal adjusted gross income which you originally reported on line 5, column A; and report only the Nebraska NOL which you computed on Form NOL, line 5, column B.

**TAXPAYER ASSISTANCE** is available at the Nebraska Department of Revenue offices located in Grand Island, Lincoln, Norfolk, North Platte, Omaha, and Scottsbluff.

The addresses and phone numbers are shown on page 4 of these instructions. Hours are 8 a.m. to 5 p.m., Monday through Friday, and at such other times and places as may be announced. Persons within Nebraska may also call for taxpayer assistance toll free by dialing 1-800-742-7474. If you are located outside Nebraska, you must call 402-471-5729.

**Confidential tax information** will be given only by return telephone call after the caller's identity has been established. A representative of a taxpayer requesting confidential tax information must have a power of attorney on file with the department before any information will be released. An income tax return signed by the preparer is considered a limited power of attorney authorizing the department to release only the information contained on that return to the preparer.

## SPECIFIC INSTRUCTIONS

**COUNTY OF RESIDENCE** is the place where you maintained your home in the year being amended. If you are a nonresident of Nebraska, enter "nonresident."

**PUBLIC SCHOOL DISTRICT DATA.** All residents and partial-year residents who reside in Nebraska on December 31 of the year being amended **must complete** the school district data. A complete list of the school identification numbers to be used is contained in the most recent Nebraska Individual Income Tax Booklet.

Nonresidents or partial-year residents who did not reside in Nebraska on December 31 of the year being amended do not complete the public school district data.

**LINE 1.** A change in the filing status can only be made when the federal filing status has been changed. An exception is made when a joint federal return was filed and the Nebraska residency of the spouse is different.

The residencies are different when, during all or some part of the year, one spouse is a resident and the other spouse is a nonresident at the same time. The couple with different residencies may file original returns with Nebraska on either a joint return or a separate return basis.

The couple who has filed separate Nebraska returns may elect, either before or after the original return is due, to file a joint return with Nebraska. They are then taxed as though both were residents during the time either was a resident.

The couple with different residencies who filed a joint Nebraska return and wish to change to separate returns must follow the steps provided in Revenue Ruling 22-81-2.

**LINE 2.** Check the appropriate boxes if you or your spouse were 65 or over, blind, or could be claimed as a dependent on another's return.

**LINE 3, TYPE OF RETURN BEING FILED.** Residency is determined in accordance with the Form 1040N instructions. Military service members can refer to the Nebraska Income Tax for Military Service Members Information Guide.

**LINE 5.** Enter adjusted gross income from your federal return.

**LINE 6.** To compute the Nebraska exemption deduction, multiply the number of exemptions (line 4) by \$1,290 for 1991 and by \$1,360 for 1992.

**LINE 8.** Nebraska standard deduction is the same as the federal standard deduction allowed on your federal return.

**LINES 9 THROUGH 11.** Only taxpayers who itemized should complete these lines. Nebraska itemized deductions (line 11), is

calculated by subtracting line 10 from line 9 (the result should not be less than 0). If the result on line 11 is less than the amount of the federal standard deduction to which you were entitled, return to line 8, and enter on line 8 the federal standard deduction to which you would have been entitled, based on your federal filing status. Enter the line 8 amount on line 12.

**LINE 12.** Enter line 8 amount or, if you itemized on your Federal Form 1040, and line 11 is greater than line 8, enter line 11.

**LINE 14.** Enter amount from Amended Nebraska Individual Income Tax Return, Form 1040XN-3, line 41, Schedule I.

**LINE 15.** Enter amount from Amended Nebraska Individual Income Tax Return, Form 1040XN-3, line 47, Schedule I.

**LINE 17.** Use the Nebraska Tax Table for the taxable year you are amending or Form 1040XN-3, Schedule III, line 59, to determine the Nebraska income tax.

**LINE 18.** The Nebraska minimum or other tax is the sum of (1) federal alternative minimum tax; (2) federal tax on lump-sum distributions of **pensions**; and (3) federal tax on premature individual retirement account distributions, multiplied by the tax rate of 25.9 percent.

**USE THE FOLLOWING WORKSHEET to calculate Nebraska minimum or other tax.**

NEBRASKA MINIMUM OR OTHER TAX WORKSHEET	
1. Alternative minimum tax, amount on Federal Form 6251 recalculated for Nebraska in accordance with Nebraska revenue rulings for 1991 or 1992 minimum tax .....	_____
2. Tax on lump-sum distributions, (enter federal tax amount from Fed. Form 4972) .....	_____
3. Tax on premature distributions from an IRA or qualified retirement plan (enter federal tax amount from Fed. Form 5329) .....	_____
4. <b>SUBTOTAL</b> (Add lines 1 through 3) .....	_____
5. <b>TOTAL</b> (line 4 multiplied by .259) .....	_____
<b>ENTER THIS TOTAL ON LINE 18, FORM 1040XN-3</b>	
<b>Nonresidents and partial-year residents, enter result on line 55, Nebraska Schedule III</b>	

**Attach a copy of your Federal Form 4972, 5329, or recalculated Form 6251 if you are amending the tax previously reported.**

**LINE 19.** Total Nebraska tax is the sum of lines 17 and 18. If line 19 is changed and you had previously claimed a credit for tax paid to another state, enter the revised tax amount on line 48 of Nebraska Schedule II, and complete the rest of the schedule.

**LINE 20, CREDIT FOR TAX PAID TO ANOTHER STATE.** If line 19 is changed, complete Schedule II of Form 1040XN-3 to determine the amount to enter on line 20, column C. If the other state's return is amended or changed by the other state, file Form 1040XN-3, including Schedule II, to report the change. Explain any change in detail on Nebraska Explanation of Changes.

See Schedule II instructions on page 4 for additional information.

**LINE 21, CREDIT FOR THE ELDERLY OR DISABLED.** Nebraska residents are allowed a nonrefundable credit equal to 100 percent of the allowable federal credit. Full-year residents should enter the credit on line 21, and partial-year residents should include the credit on line 54. If you are correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes. A copy

of the corrected Federal Schedule R or RP is to be attached to verify any change in the Nebraska credit.

**LINE 22, COMMUNITY DEVELOPMENT ASSISTANCE ACT CREDIT.** Individuals are allowed a credit for contributions made to a community betterment organization approved by the Department of Economic Development.

Attach the Nebraska Community Development Assistance Act Credit Computation, Form CDN, to the Form 1040XN-3 if this credit is being claimed or amended.

**LINE 23, FORM 3800N CREDIT.** If you are correcting the amount of Nebraska Employment and Investment Credit, a copy of the original and corrected credit computation (Form 3800N) is to be attached.

**LINE 24, CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES.** Nebraska residents are allowed a nonrefundable credit equal to 25 percent of the allowable federal credit. Full-year residents should enter the credit on line 24, and partial-year residents should include the credit on line 54. If you are correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes.

**LINE 27, NEBRASKA DEPRECIATION SURCHARGE.** If you are correcting the amount of Nebraska depreciation surcharge, a copy of the original and corrected computation (Form DPR) is to be attached.

**The Nebraska depreciation surcharge was invalidated for the 1991 tax year by the Nebraska Supreme Court. However, the Legislature re-enacted this surcharge for 1992. Do not use this amended return to claim a refund of the depreciation surcharge paid in 1991. Instead, the 1991 depreciation surcharge is to be credited against your 1992 tax liability on the 1992 Individual Income Tax Return, Form 1040N. See the 1992 Form 1040N for further information.**

**LINE 29, NEBRASKA INCOME TAX WITHHELD.** If you are correcting the amount of income tax withheld on line 29, you must attach a Nebraska copy of any additional or corrected Wage and Tax Statements, Federal Form W-2, which were not filed with your original return.

Nonresidents are to include on line 29 the credit for Nebraska income tax paid on their behalf by a partnership, S corporation, estate, or trust as reported on Form 14N.

**LINE 30, ESTIMATED TAX PAYMENTS.** Enter the total Nebraska estimated income tax paid for the taxable year you are amending. Include the income tax credit which was not refunded to you from the previous tax year. If the amount on line 30, column C, is greater than the amount on line 30, column A, you must attach copies of all of your payments (canceled checks or money orders) of Nebraska estimated income tax for the taxable year you are amending.

**LINE 31, FORM 4136N CREDIT.** If you are correcting nonhighway use motor vehicle fuels credit, the change must be explained in detail on Nebraska Explanation of Changes. The gallons of fuel claimed must be for the period in which they were purchased.

If you are amending this credit, a Nebraska Nonhighway Use Motor Vehicle Fuels and Special Fuel User Permitholder's Credit Computation, Form 4136N, is required. See Form 4136N for information regarding the special fuel user permitholder's credit.

**LINE 32, AMOUNT PAID.** Enter on line 32 the amount of tax paid with the original return plus any tax payments for the same taxable

year made after the filing of your original return. Do not include the portion of a payment which was for interest or penalty.

**LINE 34, OVERPAYMENTS ALLOWED.** Enter on line 34 the amount of overpayment allowed on your original return, previous amended returns, or as later corrected by the Nebraska Department of Revenue. This includes both amounts refunded and amounts applied to the succeeding year's estimated tax. Do not include interest received on any refund.

**LINE 37, PENALTY.** If your original return was not filed by the due date, or during the period of an extension, and line 36 indicates a tax due, it is necessary to calculate a penalty for failure to timely file. Multiply the line 36 amount by five percent per month or fraction of a month, but not more than a total of 25 percent, from the due date as extended until the original return was filed. Enter the result on line 37.

If this amended return is being filed because of a change made by the IRS and the IRS assessed a penalty, multiply the line 36 amount by the same percentage used by the IRS. Enter the result on line 37. If both the penalty for failure to timely file and the penalty because of an IRS assessment are calculated, enter the larger amount on line 37.

Additional penalties may be imposed for:

1. Failure to pay tax when due,
2. Failure to file an amended return when required,
3. Preparing or filing a fraudulent income tax return,
4. Understatement of income on an income tax return, or
5. Underpayment of estimated tax.

**LINE 38, INTEREST.** If line 36 indicates that tax is due, interest is due at the statutory rate from the original due date to the date the tax is paid. The statutory rate of interest is 14% per year through December 31, 1992. Beginning January 1, 1993, the interest rate is 7% per year. You may need to calculate interest using both rates depending on when the Form 1040XN-3 is filed and the tax paid. Contact the department if you need help in calculating the appropriate amount of interest due.

If you are due interest on the refund, it will be calculated by the department and added to the amount shown on line 40.

**LINE 39, TOTAL BALANCE DUE.** Enter the total of lines 36 through 38. Attach check or money order payable to the Nebraska Department of Revenue, and all required schedules to your amended return and mail to the Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818.

**LINE 40, REFUND.** Enter the overpayment amount. This will be refunded separately from an amount claimed as an overpayment on your original return. An amount less than \$2.00 will not be refunded. None of the overpayment will be applied to estimated tax for any year.

If a taxpayer has an existing tax liability of any kind with the department, an overpayment shown on this return may be applied to such liability. The department will notify the taxpayer if the overpayment has been applied against another tax liability.

**SIGNATURES.** Both husband and wife are to sign their joint return. If another person signs this return for the taxpayer, a copy of a power of attorney or court order authorizing the person to sign the return must be on file with this department or attached to this return.

Any person who is paid for preparing a taxpayer's return must also sign the return as preparer.

## EXPLANATION OF CHANGES

Print or type your explanation of changes on Form 1040XN-3. Or attach a schedule for each change reported on this return or entered in column B, lines 5 through 31. Attach a copy of each federal form used in reporting the change. If you are filing an amended return due to an audit by the IRS or the Nebraska Department of Revenue, attach a copy of the audit determination. If you are filing for an income tax refund due to a carryback of a Nebraska net operating loss, you must attach a copy of either Federal Form 1045 or 1040X and supporting schedules and a copy of Nebraska Net Operating Loss Worksheet. If you are filing an amended return due to a change in Nebraska credits claimed, attach the applicable schedule, form, or other state's return or audit determination.

## INSTRUCTIONS FOR NEBRASKA SCHEDULE I Nebraska Adjustments to Income for Nebraska Residents, Nonresidents, and Partial-Year Residents

### LINE 41, TOTAL ADJUSTMENTS INCREASING INCOME.

Interest from non-Nebraska state and local municipal obligations is taxable income for the state.

An S corporation's loss distribution from non-Nebraska sources increases income and is reported on line 41.

### LINES 42 THROUGH 46, TOTAL ADJUSTMENTS DECREASING FEDERAL ADJUSTED GROSS INCOME.

Adjustments decreasing Nebraska taxable income, such as state income tax refund, interest or dividend income from U.S. government bonds, other U.S. obligations, or Tier I or Tier II benefits paid by the Railroad Retirement Board, can be deducted from income for Nebraska income tax purposes.

List the source of any adjustments on an attached schedule. A list of qualifying U.S. government obligations is included in Revenue Ruling 22-87-2. Interest income derived from the following sources is subject to Nebraska income tax and cannot be included in the amount on line 43:

1. Savings and loan associations or credit unions.
2. Mortgage participation certificates issued by the Federal National Mortgage Association.
3. Washington Metropolitan Area Transit Authority.
4. Interest on federal income tax refunds.
5. Gains on the sale of tax-exempt municipal bonds and U.S. government obligations.
6. Income from repurchase agreements involving U.S. government obligations.

If the interest or dividend income from U.S. government obligations is derived from a partnership, fiduciary, or S corporation, the partner, beneficiary, or shareholder claiming the Nebraska adjustment decreasing federal taxable income must attach the applicable Federal Sch. K-1.

**Special capital gains deduction.** If you are correcting the amount of special capital gains deduction, copies of the original and corrected Special Capital Gains Deduction Computation, Form 4797N, and Federal Schedule D must be attached.

**Native American Indians** residing on a Nebraska reservation with income derived from sources within the boundaries of the reservation may deduct such income on line 46 as this is an allowable adjustment decreasing federal taxable income.

**Military personnel cannot deduct military pay** as this is not an allowable adjustment decreasing federal taxable income.

**Residents are not allowed to deduct** income earned or derived outside Nebraska. However, a resident may be entitled to a credit for income tax paid to another state. See the instructions for Credit for Tax Paid to Another State, Nebraska Schedule II.

**LINE 46.** Enter other adjustments decreasing income. An S corporation's income distribution from non-Nebraska sources decreases income and should be reported on line 46.

**LINE 47.** Total adjustments decreasing taxable income are the sum of lines 42 through 46.

### INSTRUCTIONS FOR NEBRASKA SCHEDULE II Credit for Tax Paid to Another State for Full-Year Residents Only

A credit for tax paid to another state is allowed only for full-year residents. A change on line 19, total Nebraska tax, requires Credit for Tax Paid to Another State, Schedule II, to be recalculated. If the amended Schedule II on the back of Form 1040XN-3 is not completed, adequate supporting schedules must be attached.

If the other state's return is amended or changed by the other state, Form 1040XN-3 is to be filed to report the change in the credit for tax paid to the other state. Attach a complete copy of the return including schedules and attachments or a copy of a letter or statement from the other state or subdivision indicating the amount of income reported and corrected tax paid. If the subdivision does not require that an income tax return be filed, attach a copy of the statement from the employer showing the corrected amount of tax withheld. Failure to attach supporting documents may cause the credit to be disallowed.

Refer to the instructions on Schedule II of the Form 1040N for the taxable year you are amending for more details on the calculation and limitations of this credit.

**LINE 49, ADJUSTED GROSS INCOME FROM ANOTHER STATE.** If lines 49 or 51 are changed, a complete copy of the return

filed with another state must be attached. If the entire return is not attached, credit for tax paid to another state will not be allowed.

### INSTRUCTIONS FOR NEBRASKA SCHEDULE III Computation of Nebraska Tax

**NONRESIDENTS AND PARTIAL-YEAR RESIDENTS.** If you have income derived from Nebraska sources and you have Nebraska adjustments to income, you must complete lines 41 through 47. Use your copy of your original return and instructions to make the necessary tax computations. Enter the amounts from lines 41 and 47 on lines 14 and 15 respectively, Form 1040XN-3.

**LINE 54.** Use the Nebraska tax table contained in the 1991 or 1992 1040N booklet to determine the Nebraska income tax on line 54, Nebraska tax table income. Enter zero (0) in the credit space, and enter the tax on line 54.

Partial-year residents should enter the Nebraska tax amount from the Nebraska Tax Table, based on line 54 income, less their Nebraska credit for the elderly or disabled and credit for child and dependent care expenses. See instructions for lines 21 and 24 for specific information.

Nonresidents enter the Nebraska tax on the line 54 income amount from the Nebraska Tax Table. Nonresidents are not allowed a Nebraska credit for the elderly or disabled or a credit for child and dependent care expenses; therefore, nonresidents should enter zero (0) in the credit space.

**LINE 55.** To calculate the Nebraska minimum or other tax, see the worksheet provided in the line 18, Form 1040XN-3, instructions.

**LINE 56.** Income derived from Nebraska sources includes income from wages, interest, dividends, business, farming, partnerships, S corporations, estates and trusts, gain or loss, rents and royalties, and personal services provided in Nebraska by nonresidents.

**LINES 59 AND 60.** Add line 5 and line 41, then subtract line 47. Divide line 58 by that amount. Then multiply the result by line 54 or line 55, as appropriate.

## FOR NEBRASKA TAX ASSISTANCE

Contact your regional office or call Toll Free \*1-800-742-7474.  
Lincoln residents call 471-5729.

\*\* For TT (Text Telephone) dial 1-800-382-9309.

#### SCOTTSBLUFF

Panhandle State Office Complex  
4500 Avenue I, Box 1500  
Scottsbluff, Nebraska 69361-1500  
Telephone (308) 632-1200

#### GRAND ISLAND

First Federal Building, Suite 460  
1811 West Second Street  
Grand Island, Nebraska 68803-5413  
Telephone (308) 385-6067

#### NORTH PLATTE

Craft State Office Building  
200 South Silber Street  
North Platte, Nebraska 69101-4219  
Telephone (308) 535-8250

#### NORFOLK

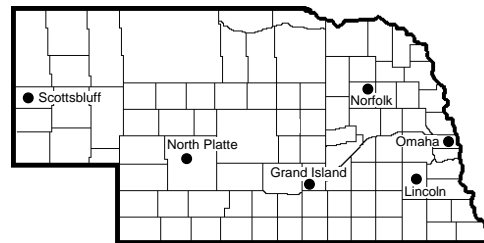
Bank of Norfolk Building, Suite 301  
100 North 13th Street  
Norfolk, Nebraska 68701-3708  
Telephone (402) 370-3333

#### OMAHA

Nebraska State Office Building  
1313 Farnam-on-the-Mall  
Omaha, Nebraska 68102-1871  
Telephone (402) 595-2065

#### LINCOLN

Nebraska State Office Building  
301 Centennial Mall South  
Lincoln, Nebraska 68509-4818  
Telephone (402) 471-5729



\* Toll free from within the continental United States.

\*\* TDD (Telecommunication Device for the Deaf) is designated by the use of "TT" (Text Telephone), which is consistent with the Americans with Disabilities Act.